

## **SCHEDULED WINTER GAS COST FILING APPROVED FOR AMERENUE**

Jefferson City (October 26, 2000)---Due to a significant rise in the wholesale cost of natural gas, natural gas customers of Union Electric Company d/b/a AmerenUE in the former service areas of Missouri Power & Light Company, Missouri Edison Company and the Central District of the Missouri Utilities Company (this includes cities such as Columbia, Jefferson City, Mexico and Wentzville) will experience an increase in natural gas rates under a winter season filing approved by the Missouri Public Service Commission. The increase will take effect on November 1, 2000. The winter season covers the period of November through March.

A residential customer currently pays \$0.6083 per Ccf (per 100 cubic feet of gas). Under the winter filing, the rate will increase to \$0.6737 per Ccf (per 100 cubic feet of gas), an increase of approximately 6.5 cents per Ccf.

**This rate change is separate from a recent rate case decision involving the non-gas costs of AmerenUE.** Non-gas costs are operating and maintenance expenses and a return on investment in plant (such as gas mains and service lines carrying natural gas to the customer's home or business). **The Commission approved an agreement reached by parties in this rate case on October 17, 2000.**

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas (the cost your local natural gas company must pay to its supplier for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.**

Several factors are believed to be contributors to the current high cost of natural gas. Some of those factors include: **(1)** High crude oil prices; **(2)** Nationally, natural gas inventories (storage) are significantly lower than last year. Nationally, underground storage levels are approximately 8.5% below the 5 year average for underground storage; and **(3)** Increased demand for natural gas for electric generation and industry use.

AmerenUE serves approximately 86,200 natural gas customers in the Missouri counties of Audrain, Ralls, Boone, Randolph, Cole, Callaway, Cooper, Howard, Moniteau, Saline, Miller, Morgan, Lincoln, Pike, St. Charles, Warren and Montgomery.

**Consumers are invited to access the Commission's website ([www.psc.state.mo.us](http://www.psc.state.mo.us)) for the monthly natural gas report. This report contains natural gas information on issues such as futures prices and United States storage levels.**

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